

FISCAL NOTE

SB 2735 - HB 2806

February 7, 2000

SUMMARY OF BILL: Allows a taxpayer filing on a separate entity basis who does not keep its books and records using generally accepted accounting principles to calculate net worth and property for franchise tax purposes using the same method the entity uses for federal income tax purposes. The bill would take effect upon becoming law and would apply to tax years beginning on or after July 1, 2000.

ESTIMATED FISCAL IMPACT:

State Revenues - Net Impact - Not Significant

Estimate assumes:

- Any impact on state revenues by not requiring the use of generally accepted accounting principals (GAAP) would be not significant since the method used would have to be acceptable for federal tax purposes.
- The Department of Revenue currently accepts returns and information from businesses not using GAAP, if the business is using the same method for federal tax purposes.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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